The KMS Road Map

The first phase: evaluation of the infrastructure and aligning KM and business strategy.

The second phase: KM system analysis, design, and development.
- Knowledge audit and analysis
- Designing the KM team
- Creating the KM system blueprint
- Selecting KM technology
- Developing the KM system

The third phase: KMS deployment

The final phase: measuring ROI and performance evaluation

Governance Principles

Governance is concerned with the operationalisation of an organisational strategy that is executed in an authorized and regulated manner

- the governance process
  - is a framework of authority to ensure the delivery of the defined benefits of a service or process
  - defines the authority of the KM team
  - identifies the regulatory regime for KMS deployment
  - establishes the boundaries for the KM strategy
KM Governance

- Authority
  - defines the decision making authority and control
  - establishes the checks and balances for implementation
  - ensures feedback into strategy
  - ensures stakeholder needs and expectations are met
- Risk Management (includes change management)
- Evaluation
- Measurement

KM Governance Model

What is “risk”

- Risk is defined as an "exposure to the possibility of economic or financial loss or gains, physical damage or injury or delay as a consequence of the uncertainty associated with pursuing a course of action”
  - Chapman and Cooper (1983)
- "The possibility of loss, injury, disadvantage or destruction”.
  - Chester Simmons, Risk management (2003).
- “Risk is a measure of the inability to achieve overall program objectives within defined cost, schedule, and technical constraints and has two components: (1) the probability of failing to achieve a particular outcome and (2) the consequences of failing to achieve that outcome.”
  - Systems Engineering Community Of Practice (SE CoP) SE CoP, 2004
Types of Risk

- Risk can be associated with:
  - lack of knowledge and prior experience
  - risky and/or uncertain environment
  - ill-defined outcomes
  - use of resources (cost/time)
  - actions
  - goals of the project
  - staff turnover
  - other "people factors"

- Risk considerations
  - some risks are too small to consider
  - can’t predict or control all risks
  - need to differentiate risks from problems
  - not all risks affect all operations

Risk and Opportunity

- Risk is not always negative
- Risk is necessary for progress
  - Risk taking is essential to exploiting opportunities
  - Failure is a key to learning
  - Need to balance the negative consequences of risk with the potential benefits of its associated opportunity

Van Scoy, 1992

Approaches to Risk

- Avoidance
  - activity is not performed if there are insufficient resources to conduct it “safely”

- Modification
  - change the activity to make it “safer”

- Retention
  - a conscious, rational and appropriate decision to undertake activity without modifying its risk
  - Unintentional retention of risk can be catastrophic

- Sharing
  - the risk is spread across more than one entity
What is Risk Management?

- Risk Management (RM) is a discipline that enables people and organizations to cope with uncertainty by taking steps to protect vital assets and resources.
- Risk Management is:
  - a process that needs to be integrated into organizational management
  - a framework for identifying risks and deciding what to do about them
  - weighing (assessing) situations and making decisions about which risks need immediate attention
- Management of risk is an integral part of good management.

Risk Management Definitions:

- RM is a systematic approach to identifying, analysing, and controlling areas or events with a potential for causing unwanted change. It is through risk management that risks to the program are assessed and systematically managed to reduce risk to an acceptable level.
- Risk Management is the act or practice of controlling risk. It includes risk planning, assessing risk areas, developing risk-handling options, monitoring risks to determine how risks have changed, and documenting the overall risk management program.

Obstacles to Risk Management

- Difficult to measure success in RM
- Risk management can be costly
- Risk is abstract and subjective concept that is difficult to understand
- RM relates to and is defined by organisational culture
- Sometimes risk is managed implicitly only at the individual level
The RM Process

- Establish the context
  - set goals for the RM program and identify barriers to its implementation
- Identify risk
  - acknowledge risk by establishing a framework or strategy to facilitate major risks to critical assets
- Evaluate risk
  - create a priority list that addresses the RM program goals
- Implement RM plan
  - select appropriate techniques to address each item on your priority list
- Monitor the RM plan
  - RM plans and techniques need to be reviewed in light of the dynamic environment and new challenges and opportunities

A Risk Management Model

- Identify the risks
  - recognize, label, understand
- Analyze the risks
  - impact, urgency, likelihood, consequence, likelihood, impact
- Evaluate the risks
  - update, track, control
- Treat the risks
  - identify, analyze, decide, implement
- Monitor and review

Continuous Risk Management Process: SEI RM Paradigm

- Identify: search for illuminate risk before it is a problem
- Analyze: transform risk into decision making info, evaluate impact, probability, timelines, classify and prioritize
- Plan: translate risk info into decisions and actions and implement actions
- Track: monitor risk indicators and mitigating actions
- Control: correct deviations from plans
- Communicate: provide info and feedback, internally and externally, on all aspects of the risk program

http://www.sei.cmu.edu/programs/agile/risk/paradigm.html
Risk Principles

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Description</th>
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<tbody>
<tr>
<td>Global Perspective</td>
<td>Recognizing both the potential value of opportunity and impact of adverse effects in a broader context</td>
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<tr>
<td>Forward-looking perspective</td>
<td>Identifying and anticipating uncertainties and potential outcomes in the future</td>
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<td>Open communications</td>
<td>Encouraging free-flowing, formal, informal and impromptu communications and valuing the individual voice</td>
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<td>Integrated management</td>
<td>Making RM an integral part of management, infrastructure and culture</td>
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<td>Continuous process</td>
<td>Sustaining constant vigilance to identify and manage risks systematically</td>
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<td>Shared product vision</td>
<td>Outcomes are based on common purpose, shared ownership and collective communication</td>
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<td>Teamwork</td>
<td>Working cooperatively to pool talent, skills and knowledge to achieve common goals</td>
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References